



Payers Say Birth Control Mandate Will Increase Premiums

Madison, NJ – February 17, 2012 – Reimbursement Intelligence (RI), the New Jersey-based market research firm that specializes in reimbursement-related issues for medical and pharmaceutical companies, today announced the results of a survey about how payers believe mandated provision of free contraception will affect their business.

Reimbursement Intelligence fielded a survey to 15 pharmacy directors representing tens of millions of pharmacy-covered lives, to find out how plans currently cover contraceptive products and services, and how they are preparing for the August 1 deadline mandated by the Affordable Care Act (ACA), which requires that all plans offer members access to prescription contraceptive products at no cost (ie, zero co-pay or co-insurance).

According to Rhonda Greenapple, CEO of RI, “Plans said they already offer relatively open access to contraception with nominal co-pays for generic oral contraceptive pills. They also told us that a minority (less than 15%) of their customers currently choose to exclude coverage of contraception from the benefits they offer to employees.”

“What surprised us,” Greenapple stated, “was that only about one-quarter of payers have a plan currently in place to meet the ACA deadline, although most of them said they would be developing a plan over the next 3 to 6 months.” Pharmacy directors expect they will play a key role in determining what prescription products will be listed, and working with their legal and benefit design teams to ensure the plan is compliant with the new mandate.

About one-half of the payers surveyed thought that mandated coverage of contraception would increase per-member-per-month pharmacy costs, although about 7% said higher pharmacy costs would be offset by lower medical costs. Noted Greenapple, “It was interesting that no one thought the mandate would offset costs by preventing unintended pregnancies, especially among young women. This is in direct opposition to the rationale for mandating these services.”

“Some survey respondents were quite vocal about the impact of the women’s preventive service mandate in the ACA. One pharmacy director told us, ‘When mandates are put in place, organizations have an opportunity and need to raise prices, change cost structures, and pass along additional costs to our customers.’”

For additional information about the Contraception Survey and for all other inquiries, please click here: [Contraceptive Report](#) or visit www.reimbursementintelligence.com.

Contact:
Rhonda Greenapple
rgreenapple@reimbursementintelligence.com
973.805.2300